# GOVERNMENT OF INDIA
# COMMERCE AND INDUSTRY
# LOK SABHA

UNSTARRED QUESTION NO:128
ANSWERED ON:27.02.2007
TRADE DEFICIT
Sujatha Smt. C.S.

**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

(a) whether the trade deficit has widened in comparison to the previous fiscal year;

(b) if so, the details of the export-import value for the last three years, year-wise;

(c) the reasons for the increase in trade deficit during the above period; and

(d) the steps taken/proposed to be taken in this regard?

## Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH)

(a) & (b) According to the latest data on trade available for the current year 2006-07(April-December), the trade deficit was US $ 42 billion compared with US $ 32 billion for the same period last year. The details of the value of exports and imports during the last three years along with trade deficit is given below:

(US $ Billion)

| Year | Exports | Imports | Trade balance |
|---|---|---|---|
| 2003 – 2004 | 63.8 | 78.1 | -14.3 |
| 2004 – 2005 | 83.5 | 111.5 | -28.0 |
| 2005 – 2006 | 103.1 | 149.2 | -46.1 |
| 2006 – 2007 (P) | 89.5 | 131.2 | -41.7 |
| April –December, 2006-07 | | | |

(P) Provisional
Source: DGCI&S Kolakata

(c) & (d) The increase in trade deficit during the current year is mainly on account of high price of crude oil and high growth of import of capital goods and raw-materials/ intermediate products required to sustain the unprecedented growth in the Manufacturing Sector. The Government is watchful of the situation but does not propose to artificially restrict imports to contain trade deficit as this may have an adverse impact on inflation.